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Economic Services Division

Committee on China Research

(Minutes of the Tenth Meeting -- 1315 hours, 18 November 1954)

Present: [redacted] Acting Chairman) S/TR
25X1A9a [redacted] 25X1A9a S/TF
[redacted] Presenting [redacted] S/CST
S/COM

25X1A9a

25X1X7 [redacted] regular members, were unable to attend. In addition to regular members [redacted] 25X1C8c
[redacted] was also in attendance. [redacted] 25X1X7

Various items of interest to the Committee were discussed by members of the Committee and [redacted] 25X1C8c

Construction of Sino-Soviet Rail Link via Mongolia

25X1A9a [redacted] reported that recent statements made by the Chinese government indicate that construction of this important rail line has been pushed forward at an unexpectedly rapid pace. Peiping has announced that the major part of bridging and grading has been completed to Erhlien where winter quarters are being established. In view of this rate of construction it is believed that the line will be completed in early 1955.

Soviet Aid Projects in China

25X1A9a

25X1A9a [redacted] reported that in the booklet Problems of Red China, which was published in Hong Kong in 1954, 116 of the proposed 141 projects are listed. To date this represents the most complete listing of these projects. Collateral sources have been able to identify some 40 odd projects while [redacted] 25X1D1a
25X1D1a [redacted] indicates about 70 projects started. Since there is some question concerning the validity of a number of the listed projects [redacted] requested that he be advised of any further information procured by members of the committee relative to the authors of the article. [redacted] notified the committee that the AD/RR has a standing request that [redacted] be advised of any further information obtained by ORR concerning the booklet. While considerable effort is being expended to evaluate the contents of the booklet and obtain further information 25X1A9a
& NSA 25X3 concerning the authors and their sources results so far have proved most disappointing. [redacted] remarked that on various occasions in the past he had heard reference made to the existence of [redacted] charged with

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analysis of China mainland economy, and he felt that possibly this group might be the originating source of the document. It was decided that an effort should be made to investigate the possibilities of this group serving as a source of information for the Intelligence Community.

Other Items

25X1X7

25X1C8c

1. [REDACTED] reported that [REDACTED] has information which indicates that the Chinese Communists have begun bridging work on the Lanchou-Paoou railway line in the area just north of Lanchou. If such is true it appears that the Chinese are rapidly pushing forward with plans to complete a north-south trunk line which would extend from the Mongolian border at Erhlien to Loakay in Indochina via Lanchou, Chengtu, Chungking, and Kunming.

25X1X7

2. A second item [REDACTED] indicates that the Viet Minh will retain control of the rolling stock park north of the 17th parallel. This is the first positive information concerning the final disposition of the freight car park in the Tonkin Delta.

3. A 60-ton flat car has been observed in China. The car is believed to have been built in Harbin about 1952. The nameplate of the car carries both Russian and Chinese characters. While this represents the largest observed car in China the existence of such large cars has been suspected since the import of generator equipment from the USSR would necessitate the utilization of cars of a similar capacity.

25X1X7

4. [REDACTED] now has information which indicates that the second auto and tractor plant is located in Hankow.

25X1X7

5. Information concerning radio production indicates that the Chinese are now engaged in the manufacture of radios and radio tubes. However, [REDACTED] is of the opinion that such manufacture is still quite limited. The completed sets are believed to be destined for propaganda uses in municipalities which are not connected by land lines to the central government.

Proposed Agenda for the Eleventh Meeting

25X1A9a

[REDACTED] reported that for the next meeting an effort would be made to obtain the services of [REDACTED] to brief the committee on the position of CIA as concerns the 1952, 53 and 54 production in the basic sectors of the Chinese economy. In view of the fact that the Chinese are now preparing their 1955 plan all members of the committee should be aware of the CIA position so as to be in a position to evaluate better any forthcoming announcements concerning 1955 production plans.

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